

BILL ANALYSIS

S.B. 99
By: Ellis
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, there is no Texas statute that addresses discrimination based on being a victim of identity theft. In a 2003 study done by the Federal Trade Commission, victims of identity theft were asked whether they had experienced various types of problems as a result of having their personal information misused. A total of 36 percent of identity theft victims reported a problem with one of the following: getting a loan, opening or using a credit card, opening a bank account, or cashing checks.

Senate Bill No. 99 prohibits a lender or any other person involved in a transaction from denying credit or loans or restricting or limiting the credit extended to a person based on the person being a victim of identity theft. This bill would provide victims of identity theft with another tool to mend their credit histories and bring state law in line with the Federal Equal Credit Opportunity Act, which prohibits creditors from discriminating against credit applicants who exercise their rights, in good faith, under the Fair Credit Billing Act.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 35, Business and Commerce Code, by adding Section 35.585, as follows:

Sec. 35.585. EXTENSION OF CREDIT TO VICTIM OF IDENTITY THEFT. (a) Defines "victim of identity theft." Prohibits a person from denying to an individual who has the capacity to contract an extension of credit, including a loan, in the individual's name or restricting or limiting the credit extended solely because the individual has been a victim of identity theft. Provides that this subsection does not prohibit a person from denying an individual an extension of credit for a reason other than because the individual has been a victim of identity theft.

(b) Provides that a license issued under Subtitle B (Loans and Financed Transactions), Title 4, Finance Code, that is held by a person who violates this section is subject to revocation or suspension under that title.

EFFECTIVE DATE

SECTION 2. Effective date: September 1, 2005.